DEPARTMENT OF ENERGY
SUPPLEMENT TO THE 2005 GOVERNMENT-WIDE REPORT
ON IMPLEMENTATION OF PUBLIC LAW 106-107

I.   BACKGROUND

This is the Department of Energy (DOE) supplement to the 2005 government-wide progress report (Enclosure 1) on the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107). This supplement summarizes DOE's activities in support of efforts to streamline and simplify the award and administration of Federal financial assistance.

II.   PARTICIPATION IN THE GOVERNMENT-WIDE STREAMLINING AND GRANTS.GOV EFFORTS

DOE is actively participating in all facets of the P.L. 106-107 efforts and in the interagency initiatives targeted to streamlining research administration, such as the Federal Demonstration Partnership and the National Science and Technology Council's Research Business Models Subcommittee. DOE senior management is fully committed to supporting these efforts. DOE's Chief Financial Officer co-chairs the CFO Council's Grants Policy Committee, which is responsible for coordinating proposals resulting from grants streamlining initiatives and serves as the decision-making body for grant policies. DOE firmly believes that these initiatives are of vital importance to improving the Department's grant processes.

DOE staff continues to participate actively in the Grants.gov initiative and recently became a member of the Grants Executive Board. The Department was also heavily involved in the Grants Management Line of Business (GMLoB) Task Force that developed the solution recommended to OMB. Participation in interagency committees, work groups, subgroups, and drafting teams allows the Department to stay informed and find additional opportunities to streamline internal grants processes.

DOE staff has participated extensively in the following efforts:

Pre-Award Work Group, including the following teams:
- Team that is developing the standard award notice cover sheet
- Team that is preparing the initial draft of the administrative requirements for financial assistance awards
- Team that is drafting the terms and conditions for national policy requirements
- Team that is assisting OMB in reissuing OMB guidance as Subtitle A of Title 2, Code of Federal Regulations

Post-Award Work Group, including the following teams/groups:
- Reporting Team that is responsible for developing standard reports
- Chair of the invention reporting subgroup
- Single Audit User Group
- Interagency Training and Certification Workgroup; Certification and Competency Subgroups

Grants.gov Initiative, including the following teams/groups:
- Stakeholders group
- Team that developed the Grants.gov SF 424 Research and Related (R&R) core data elements, application forms, and instructions
- Team that developed the mandatory application form

Grants Management Line of Business Task Force, including representatives on:
- Target Architecture Team
- Business Case Team

Other Streamlining and Simplification Activities

- Federal Demonstration Partnership (FDP), a partnership of 10 Federal agencies and over 100 research institutions. DOE is a member of two standing committees and various subcommittees.
- Research Business Models Subcommittee. DOE leads the team developing a standard format for research progress reporting and actively participates in the teams developing standard terms and conditions for research awards and audit requirements for OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, subrecipients.
- National Grants Partnership (NGP), a new partnership of Federal agencies, States, local governments, Tribal governments, and non-profit organizations.

III. INTERNAL EFFORTS TO CREATE AN ENVIRONMENT CONDUCIVE TO GRANTS STREAMLINING AND SIMPLIFICATION AND ASSESS IMPACT OF CHANGES

A. General Approach

DOE has a vested interest in streamlining Federal policies and procedures for financial assistance. Eliminating unnecessary burdens will result in more resources being focused on program objectives, thereby generating greater benefits for the public and more technology in the support of DOE's mission. Management support of these streamlining efforts is demonstrated by a February 2005 memorandum from the Director, Office of Management, Budget and Evaluation/Chief Financial Officer, requesting Assistant Secretaries to work with the procurement staff to ensure that the Department's Grants.gov goals are accomplished.   In addition, DOE's Chief Information Officer

routinely briefs senior management on e-Government initiatives, including Grants.gov, and explains how these initiatives will impact current and proposed management systems.

The DOE Financial Assistance Advisory Council, which consists of representatives from the major grant-making program and field awarding offices, provides comments on proposed government-wide policy and standard forms and assesses the potential for additional streamlining in the Department's internal processes. In addition, the procurement staff continues to heighten awareness of and provide support to its internal constituencies. Such activities include presentations at meetings of technical/program managers and at procurement directors' meetings; disseminating information via conference calls with the field grants management staff; conducting one-on-one or small group briefings with program staff; and a collaborative website utilized by grants management staff.

Since DOE awarding offices also award contracts, the Department must ensure that internal systems, which are designed primarily to support procurement activities, will support changes in processes resulting from Grants.gov and GMLoB. DOE relies on the expertise of the information technology staff to help evaluate the impact of the government-wide proposals and to determine how to best implement the new requirements.

In a continual effort to become more effective and efficient, the Department has integrated the Innovative Department of Energy e-Government Applications (IDEA) project with the Department's Enterprise Architecture (EA) effort. The EA program has institutionalized semi-annual portfolio reviews to ensure the Department's information technology investments are in line with its strategic goals and missions and that redundancy is eliminated. The EA practice also is used to streamline common business functions of the Department by analyzing the underlying business processes and supporting IT systems through a structured framework. The effort identifies possible gaps and redundancies in the function along with the optimized target environment. The Department's grant management systems and functions are being reviewed through this process.

The DOE staff continues to provide outreach to its external constituencies and often presents material on upcoming streamlining initiatives at conferences conducted by professional societies, such as the National Council of University Research Administrators. For example, the Chicago Field Office provided a briefing on the Department's transition to Grants.gov to two professional research societies. The Office of Energy Efficiency and Renewable Energy staff uses web casts, newsletters, and a web site to provide outreach on Grants.gov to the State and territory offices that receive formula grants from the Department.

B. Grants.gov FIND

The Department's grants management system has been designed to fully support participation in Grants.gov FIND. The system includes an application that exports DOE

funding opportunity synopses to Grants.gov through a system-to-system interface. We have been posting 100 percent of our discretionary funding opportunities on Grants.gov FIND since December of 2003 and the process now is part of our established business practices. During the period October 2004 through June 2005, DOE posted 121 synopses on Grants.gov.

C. Announcement Template

As noted in last year's report, DOE was actively involved with the development of the government-wide announcement template/format. In anticipation of the adoption of the new format, we developed a DOE announcement template for our competitive grant programs that is in full compliance with the government-wide format. The Department's grants management staffs were directed to use this template when preparing program announcements. The DOE template includes standard language, where possible, which ensures that the information about a given opportunity is the same for all programs. This has not only streamlined and simplified the announcement preparation process but has also provided more uniformity across programs. We are continually updating the DOE announcement template to include instructions for new Grants.gov requirements and forms as they are deployed. To further streamline the announcement process and better enforce the business rules, we are developing an online announcement template to be used in place of the current Word version.

The Department formally amended its financial assistance regulations [69 FR 7865, Feb. 20, 2004] to establish the government-wide announcement format as the DOE standard. This rulemaking also required DOE to post synopses of its funding opportunity notices on the Grants.gov web site and eliminated a requirement to publish such notices in the Federal Register. This has resulted in an annual cost saving of approximately $60,000.

D. Grants.gov APPLY

Implementation

DOE has been receiving electronic applications via the Internet since 1998 and has extensive experience with the challenges this presents. This experience was valuable because it prepared the Department for making the numerous programming changes required to retrieve applications submitted through Grants.gov. This is a continuing process as Grants.gov functionality evolves. Every time there is a system change or a new Grants.gov form, we have to test the system-to-system interface and make changes to accept the new form.

Over the last year, we have evaluated the data captured on the proposed government-wide R&R and SF 424 datasets to determine if they cover all our requirements. We believe these datasets are sufficient for the vast majority of our programs, once the remaining R&R, Small Business Innovation Research, and SF 424 - Version 2 forms are deployed by Grants.gov. However, DOE has two formula grant programs with unique requirements that are not covered by these datasets. The office responsible for these

programs has completed its data analysis and is working with Grants.gov to develop forms appropriate for these programs.

DOE posted 73 application packages and received 312 applications through Grants.gov during the period from October 2004 through June 2005; thus, the Department met its Grants.gov APPLY goals three months before the end of the fiscal year and received a Goal Star Achievers award at the June stakeholder meeting. We plan to post all our competitive application packages on Grants.gov in FY 2006, if the required forms are available.

In order to submit an application to Grants.gov, applicants must complete a multi-step registration process, which includes registering with the Central Contract Registration (CCR). The CCR is particularly difficult for States, local governments, and educational institutions, because the process was developed for Federal contractors and requires business data not typically applicable to governmental and educational entities. The DOE Office of Energy Efficiency and Renewable Energy has held numerous web casts with our State recipients to help them understand the registration process. As a result of this extensive outreach, the vast majority of the State and territory offices that receive formula grants from DOE has completed the CCR registration process and is ready to use Grants.gov in FY 2006. This is a major accomplishment, because we have had applicants who could not submit fully complete application packages through Grants.gov because they had failed to complete one step in the multi-step registration process.

Barriers to Implementation

The most significant barrier for applicants is the cumbersome process of registering with Grants.gov. This multi-step, multiple-provider process is daunting for many applicants. Some potential DOE applicants were not able to submit applications because they had not completed all of the registration steps prior to the application due date. Grants.gov needs to provide more assistance with, or outreach focused on, the registration process and, concurrently, should investigate ways to simplify the process. The Grants.gov helpdesk also needs to respond to technical questions on how a Grants.gov form works rather than referring such questions to DOE. The DOE staff is not able to answer these questions because the forms were developed by the Grants.gov form factory. We understand that the Grants.gov PMO is working to add additional helpdesk personnel and hope that this will resolve the problem.

DOE was the first agency to use the Grants.gov Research & Related forms and the first to receive an application through a grantee's system-to-system function. We realize there are always unexpected problems when a system is launched. DOE grants management personnel have been receiving electronic applications for more than six years and are prepared to respond to most of the problems. For example, when Grants.gov experienced capacity problems and attacks to the server, they directed applicants to submit their applications through the DOE system. However, the most serious problem we have encountered is "lost" applications, i.e., applications received but not properly associated with a DOE announcement. In one case, Grants.gov was not aware that two applications

had been "lost" within the system. We only learned that the applications were missing when one of the applicants called DOE to confirm its receipt. These types of issues seriously undermine users' confidence in the Grants.gov system, which leads to resistance in adopting the new system.

DOE will not be able to fully implement the APPLY function until Grants.gov deploys SF 424 - Version 2, the R&R Total Fed/Non-Fed Budget, and corrects the R&R Subaward form. Once these forms are deployed, we will need 90 days to test the forms and our systems, make required changes, issue guidance to affected parties, and change the DOE announcement template. We have found that if a schedule is too aggressive the grant community suffers because we have not adequately addressed all the problems they may encounter. Therefore, the timing, type, and volume of changes made to the Grants.gov system should be carefully thought out and implemented with a strong focus on the user communities.

IV. Other

As part of the Department's initiative to streamline its financial assistance requirements, the Office of Energy Efficiency and Renewable Energy reviewed DOE's two formula grant programs. The objective was to eliminate any unnecessary application and reporting requirements. As a result of this review, DOE was able to reduce the amount of information required for both formula grant programs.   For example, it eliminated 40 percent of the data on the State Energy Program annual application form. The new application and reporting forms will not only simplify the requirements for States, but will also provide better information for DOE to track the extent to which the public received the intended benefits.